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Approved For Release 2003/06/13 : CIA-RDP80R01731R000000050023-8

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TO W 85 X

VIEWS OF THE DIRECTOR ON CIA BUDGET, AS SET FORTH ON 23 NOVEMBER 1951.

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Mr. Wisner reported that the Bureau of the Budget (Messrs. Schaub and Barber) had asked for a preliminary briefing on the OPC budget and that the briefing was scheduled to take place in the OPC War Room beginning at 10:30 A.M. He further reported that the Senior Consultants

further recommended that the Director give consideration to the advisability of raising this proposal at an early meeting of the PSB.

The Director stated that this raised the whole question of the method of presentation and defense of the CIA budget; that he had been giving further careful consideration to this matter; and that the directive contained in NSC 10/5 (Scope and Pace of Covert Operations) would determine our approach to the presentation of the over-all CIA budget. The Director pointed out that under NSC 10/5 the PSB has the responsibility for:

- a. Determining the desirability and feasibility of programs and of individual major projects for covert operations formulated by or proposed to the Director of Central Intelligence.
- b. Establishing the scope, pace, and timing of covert operations and the allocation of priorities among these operations.

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The Director remarked that this includes programs and projects already under way, although there appeared to be an exception in the case of [redacted] (already approved by NSC) and possibly another category of exceptions for operational opportunities of a fleeting nature which must be capitalized upon quickly or not at all.

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The Director then said that he had concluded that we should prepare a comprehensive summary of OPC programs and individual major projects for submission to the Psychological Strategy Board at an early date. This summary should be undertaken by DD/P with the assistance and guidance of Mr. Hedden and Colonel Johnston, and should include a brief analysis of each program and major project to include the following points:

- a. Name and code name of program or project;
- b. Statement of objective at which directed;
- c. Brief description of program or project;
- d. Status, progress or accomplishment to date of each program or project;
- e. The estimated cost for the balance of the present fiscal year and for the coming fiscal year.
- f. An estimate of additional personnel, logistic and other support required.

The Director suggested that there be only four sets of these booklets prepared, one being retained permanently by CIA and the other three to be submitted to and returned by the other members of the PSB. As soon as the list and summary of programs and major projects has been prepared, the Director will examine it with a view to determining whether he wishes to eliminate certain of the projects or proposals. Thereafter he would propose to submit the list and summary to the members of the PSB with a view to obtaining their determination of the desirability and feasibility of all programs and major projects. He would want to have Mr. Gray, and perhaps one or two very senior members of Mr. Gray's staff, present at the meeting to consider the list and summary.

The Director summarized his thinking and conclusions in this connection as follows:

The Charter of the PSB and the directives contained in NSC 10/5 provide the best possible framework for the clarification and resolution of the problems which have been concerning him with respect to the defense of the CIA budget and OPC activities. As to that portion of the cost of CIA operations and activities which is attributable to NSC 10/2 matters, the Director will take the position that he is undertaking these efforts in the capacity

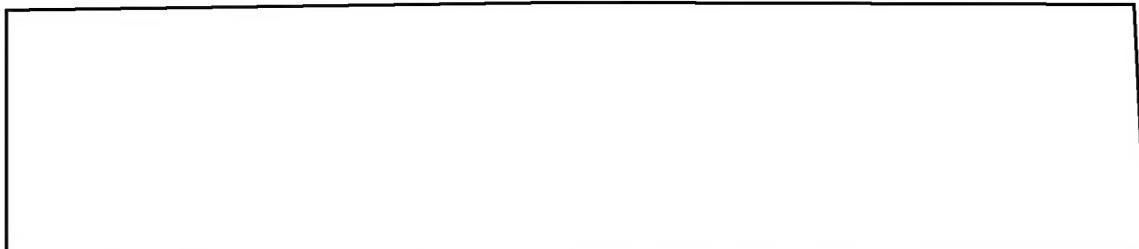
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The Director authorized Mr. Wisner to inform the representatives of the Bureau of the Budget of his intentions and proposed procedure as outlined above.

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